

**ALLEN COUNTY DRUG AND
ALCOHOL CONSORTIUM, INC.**

FINANCIAL STATEMENTS

Year Ended December 31, 2020

With Summarized Information for December 31, 2019

TABLE OF CONTENTS

	PAGE NO.
INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows.....	6
Notes to Financial Statements.....	7
SUPPLEMENTAL INFORMATION	
Schedule of Government Funds Received	15



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INDEPENDENT AUDITORS' REPORT

Board of Directors

Allen County Drug and Alcohol Consortium, Inc.

Fort Wayne, Indiana

We have audited the accompanying financial statements of Allen County Drug and Alcohol Consortium, Inc. (a nonprofit organization) which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

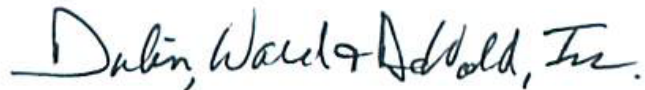
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Allen County Drug and Alcohol Consortium, Inc. as of December 31, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Allen County Drug and Alcohol Consortium, Inc.'s 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 14, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of government funds received on page 15 is presented for purposes of additional analysis is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Fort Wayne, Indiana

January 20, 2022

ALLEN COUNTY DRUG AND ALCOHOL CONSORTIUM, INC.
STATEMENT OF FINANCIAL POSITION
December 31, 2020 with Summarized
Information for December 31, 2019

	2020	2019
ASSETS		
Cash and cash equivalents	\$ 162,950	\$ 117,048
Custodial funds	1,970	2,739
Grants receivable	77,559	63,281
Fixed assets - net	<u>5,271</u>	<u>8,784</u>
Total Assets	<u><u>\$ 247,750</u></u>	<u><u>\$ 191,852</u></u>
LIABILITIES AND NET ASSETS		
Accounts payable	\$ 29,467	\$ 1,237
Custodial funds	1,970	2,739
Accrued payroll and related expenses	<u>30,792</u>	<u>16,278</u>
Total Liabilities	62,229	20,254
Net Assets:		
Without donor restrictions	99,993	99,828
With donor restrictions	<u>85,528</u>	<u>71,770</u>
Total Net Assets	<u>185,521</u>	<u>171,598</u>
Total Liabilities and Net Assets	<u><u>\$ 247,750</u></u>	<u><u>\$ 191,852</u></u>

The accompanying notes are an integral part of these financial statements.

ALLEN COUNTY DRUG AND ALCOHOL CONSORTIUM, INC.**STATEMENT OF ACTIVITIES**

Year Ended December 31, 2020 with Summarized
Information for the Year Ended December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	2020 Total	2019 Total
CHANGE IN NET ASSETS				
Support and Revenues:				
Grants and contributions	\$ 5	\$ 4,200	\$ 4,205	\$ 7,326
Government grants	166,504	497,037	663,541	662,843
In-kind contributions	8,311	-	8,311	9,809
Investment income	89	-	89	9
Miscellaneous income	8,832	-	8,832	4,703
Net Assets Released From Restrictions	<u>487,479</u>	<u>(487,479)</u>	<u>-</u>	<u>-</u>
Total Support and Revenues	671,220	13,758	684,978	684,690
Expenses:				
Intervention	39,134	-	39,134	418,810
Prevention	492,115	-	492,115	175,887
Justice	56,169	-	56,169	25,915
Management and general	<u>83,637</u>	<u>-</u>	<u>83,637</u>	<u>80,806</u>
Total Expenses	<u>671,055</u>	<u>-</u>	<u>671,055</u>	<u>701,418</u>
CHANGE IN NET ASSETS	165	13,758	13,923	(16,728)
NET ASSETS - beginning of year	<u>99,828</u>	<u>71,770</u>	<u>171,598</u>	<u>188,326</u>
NET ASSETS - end of year	<u>\$ 99,993</u>	<u>\$ 85,528</u>	<u>\$ 185,521</u>	<u>\$ 171,598</u>

The accompanying notes are an integral part of these financial statements.

ALLEN COUNTY DRUG AND ALCOHOL CONSORTIUM, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2020 with Summarized
Information for the Year Ended December 31, 2019

	Program Services				2020	2019
	Intervention	Prevention	Justice	Management and General	Total	Total
Salaries	\$ 15,349	\$ 203,212	\$ 15,349	\$ 22,707	\$ 256,617	\$ 243,902
Payroll taxes	918	13,360	918	2,015	17,211	18,421
Employee benefits	-	15,387	-	5,499	20,886	13,440
Total Salaries and Related Expenses	16,267	231,959	16,267	30,221	294,714	275,763
Program expense	21,660	122,380	38,694	4,066	186,800	243,127
Occupancy	-	39,264	-	3,574	42,838	32,574
Public service announcements	-	34,299	-	676	34,975	25,508
Professional fees	-	19,875	-	11,638	31,513	38,276
Training	1,093	10,776	1,093	10,850	23,812	20,093
Office supplies	64	6,126	65	14,880	21,135	25,227
Information technology	-	10,251	-	1,058	11,309	7,757
Travel	50	8,274	50	2,222	10,596	18,814
Telephone	-	4,020	-	218	4,238	2,240
Insurance	-	3,267	-	215	3,482	3,300
Custodial activities	-	1,500	-	-	1,500	5,076
Miscellaneous	-	124	-	506	630	149
Total Expenses Before Depreciation	39,134	492,115	56,169	80,124	667,542	697,904
Depreciation	-	-	-	3,513	3,513	3,514
Total Functional Expenses	<u>\$ 39,134</u>	<u>\$ 492,115</u>	<u>\$ 56,169</u>	<u>\$ 83,637</u>	<u>\$ 671,055</u>	<u>\$ 701,418</u>

The accompanying notes are an integral part of these financial statements.

ALLEN COUNTY DRUG AND ALCOHOL CONSORTIUM, INC.
STATEMENT OF CASH FLOWS
Year Ended December 31, 2020 with Summarized
Information for the Year Ended December 31, 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 13,923	\$ (16,728)
Adjustments to reconcile change in net assets to cash flows from operating activities:		
Depreciation	3,513	3,514
Changes in assets and liabilities:		
(Increase) decrease in:		
Grants receivable	(14,278)	(19,522)
Increase (decrease) in:		
Accounts payable	28,230	(23,533)
Custodial funds	(769)	790
Accrued payroll and related expenses	14,514	7,718
	<u>45,133</u>	<u>(47,761)</u>
Cash Flows From Operating Activities	<u>45,133</u>	<u>(47,761)</u>
INCREASE (DECREASE) IN CASH	45,133	(47,761)
CASH, CASH EQUIVALENTS AND RESTRICTED CASH - beginning of year	<u>119,787</u>	<u>167,548</u>
CASH, CASH EQUIVALENTS AND RESTRICTED CASH - end of year	<u><u>\$ 164,920</u></u>	<u><u>\$ 119,787</u></u>

The accompanying notes are an integral part of these financial statements.

ALLEN COUNTY DRUG AND ALCOHOL CONSORTIUM, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Allen County Drug and Alcohol Consortium, Inc. (Organization) provides an effective network to collaboratively prevent substance abuse, primarily by youth, and to reduce the negative impact of alcohol and other drugs in the Allen County community. Its vision is to provide a centralized intelligence, communication, and coordination of diverse resources in an effort to mobilize family and/or other personal support systems to prevent and alleviate alcohol, tobacco, and other drug (ATOD) abuse.

The Organization's activities include:

Al's Pals: Kids Making Healthy Choices – through a grant from the State Division of Mental Health and Addictions (DMHA), the Organization facilitates the evidence-based implementation of a resiliency-based early childhood curriculum and teacher training program that develops social-emotional skills, self-control, problem-solving abilities, and healthy decision-making in children 3 to 8 years old.

Drug-Free Indiana – as one of 92 county-based coordinating councils defined by statute in Indiana, the Organization completes all state requirements including submitting an annual comprehensive plan and is approved by the State to receive county-based funds in order to focus on intervention, prevention and law enforcement.

Project Alert – through a grant from DMHA, the Organization facilitates the implementation of an evidence-based curriculum that addresses the pro-drug mindset of today's teens and effectively increases their likelihood to remain drug-free.

Social Host – through grants from DMHA and the Substance Abuse and Mental Health Services Administration, the Organization is working on an environmental strategy to educate policy makers and the general public regarding the dangers and consequences of serving alcohol to underage youth. The Organization also is working with policy makers to help develop a revised civil ordinance to enforce penalties for property owners who allow underage drinking on their property.

Strengthening Families Program – through a grant from DMHA, the Organization implements an evidence-based prevention curriculum for targeted high-risk families in Allen County.

(continued)

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(continued)

Talk. They Hear You – through a grant from DMHA, the Organization implements the “Talk. They Hear You.” media campaign which aims to reduce underage drinking and substance use among youths under the age of 21 by providing parents and caregivers with information and resources they need to address alcohol and other drug use with their children early.

Too Good for Drugs – through a grant from DMHA, the Organization implements an evidence based, universal K-12 prevention education program designed to mitigate the risk factors and enhance protective factors related to ATOD use. The lessons introduce and develop social and emotional skills for making healthy choices, building positive friendships, developing self-efficacy, communicating effectively, and resisting peer pressure and influence.

Income Taxes

The Organization is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and has been classified as an organization that is not a private foundation under Section 509(a) of the Internal Revenue Code.

Recent Accounting Guidance

During 2019, the Organization adopted ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, as amended, as management believes the standard improves the usefulness and understandability of the Organization’s financial reporting. Analysis of various provisions of this standard resulted in no significant changes in the way the Organization recognizes revenue, and therefore, no changes to the previously issued audited financial statements were required on a retrospective basis. The presentation and disclosure of revenue have been enhanced in accordance with the standard.

During 2019, the Organization also adopted ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 605)* as management believes the standard improves the usefulness and understandability of the Organization’s financial reporting. There was no effect on net assets in connection with the implementation of ASU 2018-08.

Estimates

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

(continued)

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and Cash Equivalents

For the purposes of the statement of cash flows, the Organization considers all highly liquid investments with a maturity of three months or less at the time of purchase to be cash equivalents.

Receivables

Grants receivable are due from government and other significant funding sources. The Organization provides an allowance for uncollectible accounts, if deemed necessary, which is based upon historical collection experience and management's estimates of the losses that will be incurred in the collection of all receivables.

Fixed Assets

Fixed assets are stated at cost or, if donated, at fair value at the date of the gift. Items with a cost or value of \$5,000 or more and a useful life of one year or more are capitalized. The Organization follows the policy of providing depreciation on the straight-line method for financial reporting purposes over the estimated useful lives of the related assets. Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

Net Asset Classifications

Net assets without donor restrictions are available for use at the discretion of the Organization's management and the board of directors. From time to time the board may designate a portion of these net assets for specific purposes, which makes them unavailable for use at management's discretion.

Net assets with donor restrictions consist of assets whose use is limited by donor-imposed time and/or purpose restrictions. The Organization reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, the net assets are reclassified as net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

(continued)

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue and Revenue Recognition

The Organization recognizes grants and contributions as public support when cash, other assets or an unconditional promise is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been met. In-kind contributions of facilities, services, equipment and supplies are recognized as support and expense or property and equipment and are recorded at market value as of the date received.

A portion of the Organization's revenue is derived from cost-reimbursable federal and state grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. No advances have been received on the grants and no deferred revenue is recognized.

Miscellaneous income is recognized as revenue when received.

Functional Expense Allocations

The costs of providing program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Salaries and related expenses	Time and effort
Occupancy and depreciation	Square footage

Subsequent Events

Management has evaluated subsequent events through January 20, 2022, the date which the financial statements were available for issue.

2. GRANTS RECEIVABLE

All grants receivable are due within one year.

3. FIXED ASSETS

Fixed assets consist of the following:

	2020	2019
Equipment	\$ 11,128	\$ 11,128
Leasehold improvements	<u>70,466</u>	<u>70,466</u>
	81,594	81,594
Less accumulated depreciation	<u>76,323</u>	<u>72,810</u>
	<u>\$ 5,271</u>	<u>\$ 8,784</u>

4. NET ASSETS

Net assets without donor restrictions is comprised of undesignated amounts totaling \$99,993 at December 31, 2020 and \$99,828 at December 31, 2019.

Net assets with donor restrictions are restricted as follows:

	2020	2019
Subject to purpose requirements:		
Intervention and prevention	\$ 83,558	\$ 69,031
Custodial funds	<u>1,970</u>	<u>2,739</u>
Total net assets with donor restrictions	<u>\$ 85,528</u>	<u>\$ 71,770</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time or other events specified by donors.

(continued)

4. NET ASSETS (continued)

The net assets released from restrictions are as follows:

	2020	2019
Purpose restrictions accomplished:		
Intervention and prevention	\$ 472,510	\$ 449,938
iCAN mini grant	-	1,489
Gas cards	2,700	-
Custodial funds	<u>2,269</u>	<u>4,316</u>
Total net assets released from restrictions	<u>\$ 487,479</u>	<u>\$ 455,743</u>

5. IN-KIND CONTRIBUTIONS

The Organization recognized contribution revenue for certain services received at the fair value of those services. Those services include the following:

	2020	2019
Management and general:		
Professional fees	\$ 8,311	\$ 9,809

6. ADVERTISING

Advertising costs are charged to operations when incurred. Advertising consists of public service announcements using different forms of media. The cost of advertising charged to operations was \$34,975 in 2020 and \$25,508 in 2019.

7. CONCENTRATIONS

The Organization receives substantial support from government sources. A significant reduction in the level of this support, if it were to occur, could have an effect on the Organization's future programs and activities.

8. OPERATING LEASES

The Organization leases its operating facility under an operating lease that expires September 2024. The lease agreement calls for monthly lease payments of \$1,625 plus CAM charges. Total rental expense under the noncancelable lease was \$34,316 for 2020 and \$26,542 for 2019. Minimum future rental payments under the noncancelable operating lease as of December 31, 2020 for each of the next five years and in the aggregate are as follows:

2021	\$	25,104
2022		25,104
2023		25,104
2024		12,552
2025 and thereafter		<u>-</u>
Total lease commitments	\$	<u>87,864</u>

9. AVAILABILITY AND LIQUIDITY

The Organization's financial assets available within one year for general expenditures at December 31 are as follows:

	2020	2019
Cash and cash equivalents	\$ 162,950	\$ 117,048
Custodial funds	1,970	2,739
Grants receivable	<u>77,559</u>	<u>63,281</u>
Total financial assets available within one year	242,479	183,068
Less amounts not available to be used within one year:		
Custodial funds	1,970	2,739
Donor imposed restrictions	<u>83,558</u>	<u>69,031</u>
Total assets not to be used in one year	<u>85,528</u>	<u>71,770</u>
Financial assets available to meet general expenditures within one year	<u>\$ 156,951</u>	<u>\$ 111,298</u>

(continued)

9. AVAILABILITY AND LIQUIDITY (continued)

The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Organization invests cash in excess of weekly requirements in short-term investments. The Organization also receives funds from government grants which are available to help meet its cash needs for general expenditures.

10. UNCERTAINTIES

On March 11, 2020, the COVID-19 virus had been declared a global pandemic and recommended containment and mitigation measures worldwide. The extent of the impact of the COVID-19 outbreak on the financial performance of the Organization will depend on future developments, including the duration and severity of the outbreak and its impact on the overall economy. Management is carefully monitoring the situation and evaluating its options during this time. No adjustments have been made to these financial statements as a result of this uncertainty.

11. COMMITMENTS

The Organization entered into commitments prior to December 31, 2020 through memorandums of understanding with its agency partners for payments to be made in 2021 totaling \$66,195.

12. STATEMENT OF CASH FLOWS SUPPLEMENTAL DISCLOSURES

The following provides a reconciliation of cash, cash equivalents and restricted cash reported in the statement of financial position that sum to the total of the same such amounts shown in the statement of cash flows.

	2020	2019
Cash and cash equivalents	\$ 162,950	\$ 117,048
Custodial funds	<u>1,970</u>	<u>2,739</u>
Total cash, cash equivalents and restricted cash	<u>\$ 164,920</u>	<u>\$ 119,787</u>

13. PENSION PLAN

The Organization sponsors a defined contribution SIMPLE plan under Section 408(p) of the Internal Revenue Code. The plan covers any employee who expects to earn \$5,000 in the current year and has earned at least \$5,000 during any two prior calendar years. The Organization matches up to 3% contributed by the employees. Contributions to the plan charged to operations were \$3,691 in 2020 and \$-0- in 2019.

ALLEN COUNTY DRUG AND ALCOHOL CONSORTIUM, INC.
SCHEDULE OF GOVERNMENT FUNDS RECEIVED
Year Ended December 31, 2020

Federal Grantor/ Pass-Through Grantor/ Program Title	Assistance Listing Number	Revenue Recognized
U.S. Department of Health and Human Services: Passed through Indiana Family and Social Services Administration: Block Grants for Prevention and Treatment of Substance Abuse	93.959	\$ 296,000
Passed through Indiana Department of Health	93.136	82,113
U.S. Department of Health and Human Services: Drug Free Communities Support Program Grants	93.276	126,862
Allen County Auditor - Drug Free Indiana	n/a	<u>158,566</u>
Total Government Funds Received		<u><u>\$ 663,541</u></u>

See independent auditors' report.

